

Measuring Metering or Billing errors related to VAT when determining compliance with the Oftel/Ofcom Direction

Value Added Tax (VAT) is added to retail transactions at a rate determined from time to time by HM Revenue and Customs.

For full details of the rules governing VAT, reference needs to be made to [HM Revenue and Customs Website](#) or other Government documentation. What follows is simply intended to assist those CPs who, because of VAT changes, may face difficulties in obtaining or maintaining Metering & Billing Accuracy Approval under the Oftel or Ofcom M&B Direction. Any easements mentioned here relate to Approval under those Schemes, and have no effect upon any obligations to HM Revenue and Customs.

Where difficulties arise in applying VAT to customer bills at the correct rate from the precise date required, MABABF is not minded to require CPs to measure and report errors that are solely due to these causes in the M&B regular Measurement Results.

However, due care needs to be taken, and appropriate justification made. Also, the errors should be corrected on the next bill, or if so trivial as to be uneconomic to handle on an individual basis, then a donation to charity to cover the sum total of those errors shall be made according to the principles in A3.4.7.3b of the Ofcom Direction which reads:

“End-Users shall not be financially disadvantaged, but where individual End-Users cannot be identified the Communications Provider shall derive no financial benefit from the failure, either by donating an equivalent sum to charity or by an adjustment of tariffs.”

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